

KCA Advantage Fund, Limited Partnership

(Limited Partnership Registration No: 87495)
(Incorporated in the Cayman Islands)

Growth-Ladder (Public Finance) Private Equity Investment

c/o Korea Growth Investment Corporation

4th floor, KRX annex building

76 Yeouinaru-ro, Yeongdeungpo-gu

Seoul, 07329 Korea

For the attention of: Park, Dong Wook

Date: 3 August 2017

Dear Sir / Madam,

Drawdown Notice – Capital Call

The undersigned refers to the Amended and Restated Exempted Limited Partnership Agreement clause 5.2 of the KCA Advantage Fund, Limited Partnership (hereinafter the “Fund Agreements”), and hereby gives you notice, irrevocably, pursuant to the Fund Agreements that the undersigned hereby request a drawdown under the Fund Agreements, and in that connection sets forth below the information relating to such drawdown as required by the Fund Agreements.

1. All capitalized terms used in this notice shall have the meaning as ascribed thereto in the Limited Partnership Agreement.
2. A total capital call of US\$ 20,450,000.00 is being made to fund the following:

	Total Fund (US\$)	LP's Share (US\$)
(i) Portfolio Investment – Project Prep	14,800,000.00	5,000,000.00
(ii) Bridge Investment – Project Prep	5,200,000.00	1,756,756.76
(iii) Fund Expenses	450,000.00	152,027.03
Total	20,450,000.00	6,908,783.79

3. Your share of the drawdown amounts to **US\$ 6,908,783.79**.
4. The Due Date of this Capital Call is **21 August 2017** and payment is to be made so that the funds are received in Singapore by the Fund on that date.

5. The wiring instruction is enclosed for ease of reference.

Please remit the funds to the following account details:

Beneficial Name:	KCA Advantage Fund, Limited Partnership
Beneficial Account Number:	451-905-462-5
Beneficiary Bank Name:	United Overseas Bank Limited Singapore
Beneficiary Bank SWIFT BIC Code:	UOVBSGSG
Beneficial Bank Address:	UOB Plaza, 80 Raffles Place Singapore 048624
Correspondent Bank:	The Bank of New York
Correspondent Bank SWIFT address:	IRVTUS3N
FEB ABA No:	021000018
Reference:	Growth-Ladder (Public Finance) Private Equity Investment Drawdown notice for Capital Call

Kindly ensure the funds sent are to be received in full ("Beneficiary to receive in full")

6. In line with international norms on anti-money laundering, please ensure that your wiring instruction clearly states the purpose of the transfer – you should accordingly mark on your transfer instruction that the purpose is for the **Drawdown notice for Capital Call**.

Yours faithfully



.....
Lu Cheng
Director

KCA Capital Partners GP
As the general partner of
KCA Advantage Fund, Limited Partnership

KCA Capital Partners

Memorandum

To: KCA Advantage Fund L.P. Investors
From: KCA Capital Partners GP ("KCA")
Date: [August 3, 2017]
Subject: [Project Prep] Investment in PuXin Education

Transaction Summary:

KCA Advantage Fund L.P. (the "Fund") intends to invest in total USD \$20.0 million in PuXin Education ("PuXin" or the "Company"). Investment is made in the form of Convertible Bond ("CB"), which will have a 4-year redemption period and 15% coupon. Upon IPO of the Company, the Convertible Bond will convert to common shares at a pre-determined discount based on timing of the IPO. Should the Fund exit after IPO and achieve a return less than 25% IRR, the controlling shareholder of the Company will compensate in cash to bring the Fund IRR to 25%. Sourcing of this transaction was proprietary by leveraging the CICC platform.

Business Overview:

The Company, based in Beijing, China, is a leading player in K-12 after-school tutoring training in China. The Company has 248 education centers in 19 cities providing over 220 thousand class sessions in 2016. The founding team of PuXin were senior members of New Oriental Education, China's largest private education service provider. Company's 2016 revenue was RMB 375 million and 2017 projected revenue is RMB 674 million.

Investment Rationale:

- Large market for K-12 after-school tutoring of approximately RMB 250 billion (in 2015) and growing at 14.6% CAGR till 2020
- Company has proprietary educational content and school management system. Management team has proven track record in the industry.
- Attractive deal structure that provides significant downside protection
- Platform to partner with Korean education related companies in China including content and service providers given Korea's K-12 after-school tutoring market is highly advanced
- Clear exit via IPO (likely on NYSE or Nasdaq)

Value-Creation Strategy:

- Help establish partnership with leading Korean education content providers and/or introduce new business models
- Expansion strategy to nearby Asian countries including Hong Kong and Southeast Asia
- Leverage KCA/CICC network to see M&A opportunities to expand platform

We look forward to updating you more details on the investment and our progress on value creation initiatives during our next meeting. Meanwhile, please do not hesitate to contact Jenhao HAN (jenhao.han@kcacap.com) or Cheng LU (cheng.lu@kcacap.com) should you have any questions.

With warm regards,

KCA Capital Partners

Diversification Consideration

Of the total USD \$20.0 million investment amount, USD \$14.8 million will be classified as Portfolio Investment as per LPA (20% of aggregate Capital Commitment of \$74.0 million), and USD \$5.2 million will be classified as Bridge Investment as per LPA. The rationale for Bridge Investment is Fund may at its election divest this portion to potential limited partners of the Fund as co-investment.

Investment Objective Consideration

Geographic Focus and Conditions

- 1. No less than 60% of the aggregate Capital Commitments to be invested in Korean companies or companies related to the expansion of Korean companies in the Asia Pacific region (i.e. China and ASEAN).**

Company is classified as “companies related to the expansion of Korean companies in Asia Pacific region”. Given PuXin’s large student base and broad geographic coverage, it is a strong partner for Korean companies with educational content and know-how to expand to China. Post investment, we intend to work with the Company to find suitable partners in Korea to collaborate.

Furthermore, 40% of the Fund can be invested in companies outside of this scope, which is USD \$29.6 million. Therefore, in both cases, this investment does not fall outside of this Investment Objective.

- 2. The Fund will not invest in companies domiciled in the United States of America without the consent of the Advisory Board.**

The Company is domiciled in China.

Stage of Investment

This investment is categorized under “Investment in companies in China and/or ASEAN region that will directly benefit from and assist in the expansion of Korean products and technologies.”